

## **Senate Bill No. 679**

### **CHAPTER 471**

An act to amend Sections 6770, 6770.1, 6770.2, 8776, 8776.1, and 8776.2 of the Business and Professions Code, relating to licensees.

[Approved by Governor October 1, 2013. Filed with  
Secretary of State October 1, 2013.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

SB 679, Berryhill. Licensees: reporting requirements.

Existing law establishes, within the Department of Consumer Affairs, the Board for Professional Engineers and Land Surveyors. Existing law prohibits, in order to safeguard life, health, property, and public welfare, any person from practicing civil, electrical, or mechanical engineering, or land surveying unless appropriately licensed or specifically exempted from licensure, as specified. Existing law requires a licensee to report to the board in writing the occurrence of any of the specified events within 90 days of the date the licensee has knowledge of the event, including, but not limited to, any civil action judgment, settlement, arbitration award, or administrative action resulting in a judgment, settlement, or arbitration award against the licensee in any action alleging fraud, deceit, misrepresentation, breach or violation of contract, negligence, incompetence, or recklessness by the licensee in the practice of professional engineering or land surveying if the amount or value of the judgment, settlement, or arbitration award is \$50,000 or greater.

This bill would revise those provisions to instead require a licensee to report to the board the occurrence of any civil action settlement or administrative action resulting in a settlement against the licensee, as specified, if the amount or value of the settlement is greater than \$50,000, and any civil action judgment or binding arbitration award or administrative action resulting in a judgment or binding arbitration award against the licensee, as specified, if the amount or value is \$25,000 or greater.

Existing law requires a court that rendered a conviction or judgment against a licensee, as specified, to report that fact to the board and provide the board with various documents. Existing law requires a state or local government agency that self-insures a licensee or an insurer that provides professional liability insurance to a licensee to report to the board specified information when payment of a civil action judgment, settlement, or arbitration award, as specified, against a licensee of the board has been made.

This bill would require a court that entered a settlement against a licensee, as specified, to report that fact to the board and provide the board a copy of the settlement and any orders or opinions accompanying the settlement. The bill would require a state or local government agency that self-insures a

licensee or an insurer that provides professional liability insurance to a licensee to report to the board specified information when payment of a civil action judgment, settlement, or binding arbitration award against a licensee of the board has been made.

*The people of the State of California do enact as follows:*

SECTION 1. Section 6770 of the Business and Professions Code is amended to read:

6770. (a) A licensee shall report to the board in writing the occurrence of any of the following events that occurred on or after January 1, 2008, within 90 days of the date the licensee has knowledge of the event:

(1) The conviction of the licensee of any felony.

(2) The conviction of the licensee of any other crime that is substantially related to the qualifications, functions, and duties of a licensed professional engineer.

(3) A civil action settlement or administrative action resulting in a settlement against the licensee in any action alleging fraud, deceit, misrepresentation, breach or violation of contract, negligence, incompetence, or recklessness by the licensee in the practice of professional engineering if the amount or value of the settlement is greater than fifty thousand dollars (\$50,000).

(4) A civil action judgment or binding arbitration award or administrative action resulting in a judgment or binding arbitration award against the licensee in any action alleging fraud, deceit, misrepresentation, breach or violation of contract, negligence, incompetence, or recklessness by the licensee in the practice of professional engineering if the amount or value of the judgment or binding arbitration award is twenty-five thousand dollars (\$25,000) or greater.

(b) The report required by subdivision (a) shall be signed by the licensee and set forth the facts that constitute the reportable event. If the reportable event involves the action of an administrative agency or court, the report shall set forth the title of the matter, court or agency name, docket number, and the date the reportable event occurred.

(c) A licensee shall promptly respond to oral or written inquiries from the board concerning the reportable events, including inquiries made by the board in conjunction with license renewal.

(d) Nothing in this section shall impose a duty upon any licensee to report to the board the occurrence of any of the events set forth in subdivision (a) either by or against any other licensee.

(e) Failure of a licensee to report to the board in the time and manner required by this section shall be grounds for disciplinary action.

(f) For the purposes of this section, a conviction includes the initial plea, verdict, or finding of guilt; a plea of no contest; or pronouncement of sentence by a trial court even though the conviction may not be final or sentence actually imposed until all appeals are exhausted.

SEC. 2. Section 6770.1 of the Business and Professions Code is amended to read:

6770.1. Within 30 days of entry of a conviction described in paragraphs (1) and (2) of subdivision (a) of Section 6770, a settlement described in paragraph (3) of subdivision (a) of Section 6770, or a judgment described in paragraph (4) of subdivision (a) of Section 6770, by a court of this state that has been notified that the defendant is a licensee of the board, the court that rendered the conviction, settlement, or judgment shall report that fact to the board and provide the board with a copy of the conviction, settlement, or judgment and any orders or opinions of the court accompanying or ordering the conviction, settlement, or judgment.

SEC. 3. Section 6770.2 of the Business and Professions Code is amended to read:

6770.2. (a) Within 30 days of payment of all or any portion of any civil action judgment, settlement, or binding arbitration award described in Section 6770 against a licensee of the board, any insurer providing professional liability insurance to that licensee shall report to the board the name of the licensee; the amount or value of the judgment, settlement, or binding arbitration award; the amount paid by the insurer; and the identity of the payee.

(b) Within 30 days of payment of all or any portion of any civil action judgment, settlement, or binding arbitration award described in Section 6770 against a licensee of the board, any state or local government agency that self-insures that licensee shall report to the board the name of the licensee; the amount or value of the judgment, settlement, or binding arbitration award; the amount paid; and the identity of the payee.

SEC. 4. Section 8776 of the Business and Professions Code is amended to read:

8776. (a) A licensee shall report to the board in writing the occurrence of any of the following events that occurred on or after January 1, 2008, within 90 days of the date the licensee has knowledge of the event:

(1) The conviction of the licensee of any felony.

(2) The conviction of the licensee of any other crime that is substantially related to the qualifications, functions, and duties of a licensed land surveyor.

(3) A civil action settlement or administrative action resulting in a settlement against the licensee in any action alleging fraud, deceit, misrepresentation, breach or violation of contract, negligence, incompetence, or recklessness by the licensee in the practice of land surveying if the amount or value of the settlement is greater than fifty thousand dollars (\$50,000).

(4) A civil action judgment or binding arbitration award or administrative action resulting in a judgment or binding arbitration award against the licensee in any action alleging fraud, deceit, misrepresentation, breach or violation of contract, negligence, incompetence, or recklessness by the licensee in the practice of land surveying if the amount or value of the judgment or binding arbitration award is twenty-five thousand dollars (\$25,000) or greater.

(b) The report required by subdivision (a) shall be signed by the licensee and set forth the facts that constitute the reportable event. If the reportable event involves the action of an administrative agency or court, the report shall set forth the title of the matter, court or agency name, docket number, and the dates the reportable event occurred.

(c) A licensee shall promptly respond to oral or written inquiries from the board concerning the reportable events, including inquiries made by the board in conjunction with license renewal.

(d) Nothing in this section shall impose a duty upon any licensee to report to the board the occurrence of any of the events set forth in subdivision (a) either by or against any other licensee.

(e) Failure of a licensee to report to the board in the time and manner required by this section shall be grounds for disciplinary action.

(f) For purposes of this section, a conviction includes the initial plea, verdict, or finding of guilt; a plea of no contest; or pronouncement of sentence by a trial court even though the conviction may not be final or sentence actually imposed until all appeals are exhausted.

SEC. 5. Section 8776.1 of the Business and Professions Code is amended to read:

8776.1. Within 30 days of entry of a conviction described in paragraphs (1) and (2) of subdivision (a) of Section 8776, a settlement described in paragraph (3) of subdivision (a) of Section 8776, or a judgment described in paragraph (4) of subdivision (a) of Section 8776, by a court of this state that has been notified that the defendant is a licensee of the board, the court that rendered the conviction or judgment shall report that fact to the board and provide the board with a copy of the conviction, settlement, or judgment and any orders or opinions of the court accompanying or ordering the conviction, settlement, or judgment.

SEC. 6. Section 8776.2 of the Business and Professions Code is amended to read:

8776.2. (a) Within 30 days of payment of all or any portion of any civil action judgment, settlement, or binding arbitration award described in Section 8776 against a licensee of the board, any insurer providing professional liability insurance to that licensee shall report to the board the name of the licensee; the amount or value of the judgment, settlement, or binding arbitration award; the amount paid by the insurer; and the identity of the payee.

(b) Within 30 days of payment of all or any portion of any civil action judgment, settlement, or binding arbitration award described in Section 8776 against a licensee of the board, any state or local government agency that self-insures that licensee shall report to the board the name of the licensee; the amount or value of the judgment, settlement, or binding arbitration award; the amount paid; and the identity of the payee.